



Michelle A. Thomas
Executive Director – Federal Regulatory

AT&T Services, Inc.
1401 I Street NW, Suite 1100
Washington, D.C. 20005
Phone: (202) 326-8919
Fax: (202) 408-4809

DOCKET FILE COPY ORIGINAL

December 19, 2005

RECEIVED

DEC 19 2005

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Room CY-B402
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

Re: Permanent Cost Allocations Manual for the Separation of Regulated and Nonregulated Costs for The Southern New England Telephone Company

Dear Ms. Dortch:

Pursuant to Section 64.903(b) of the Commission's rules, as amended by the *Report and Order* in CC Docket No. 99-253, AT&T Inc. respectfully submits an original and three complete copies of an updated Cost Allocation Manual ("CAM") filing for The Southern New England Telephone Company.

This annual CAM filing incorporates a description of revisions to cost pools in the Transactions with Affiliates and Cost Apportionment Tables sections in addition to technical and narrative changes to several sections of the CAM. All changes to the CAM can be identified by annotations in the right hand margin of each revised page and are described in the attachment.

Please stamp and return the provided copy to confirm your receipt of this filing. Please contact me at (202) 326-8919 should you have any questions about this CAM filing.

Sincerely,

Enclosures

No. of Copies rec'd 043
List A B C D E

TRANSMITTAL MATRIX CAM CHANGES

<u>Page USOA Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized Quantification</u>
II-1, 2, 3	Fiber Broadband Service	N/A	To delete Fiber Broadband Service as a nonregulated activity and instead treat as a regulated activity effective year 2005. (Report and Order in the Matter of Appropriate Framework for Broadband Access to the Internet over Wireline Facilities (CC Docket No. 02-33; FCC 05-150) released September 23, 2005, paragraph 128.)	Not Applicable=N/A
III-1	The activity has traditionally been treated as incidental	N/A	To delete a part of the incidental definition which is no longer applicable.	N/A
IV-General	N/A	All Section IV pages have been renumbered due to the addition of the first-tier subsidiaries page to the chart as IV-1.	The first-tier subsidiaries page has been added to the beginning of the Chart of Affiliates to aid in the identification of this level of subsidiaries.	N/A
IV-2	SBC Communications Inc. (old page IV-1)	AT&T Inc.	Renamed	N/A
IV-2	SBC E-Services, Inc.; SBC IP Communications, Inc.	N/A	Dissolved	N/A
	SBC Management Services, USA, Inc.	N/A	Merged into another affiliate	
	SBC Telecommunications, Inc.	N/A	Merged	
	Prodigy Communications Corporation	N/A	Dissolved	
	Worldwide Directory Products Sales, Inc.; Southwestern Bell Yellow pages Resources, Inc.; Southwestern Bell Yellow Pages Services, Inc.; SBC Advertising, L.P.; Southwestern Bell Advertising Group, Inc. (old page IV-1)	Worldwide Directory Products Sales, Inc.; Southwestern Bell Yellow pages Resources, Inc.; Southwestern Bell Yellow Pages Services, Inc.; SBC Advertising, L.P.; Southwestern Bell Advertising Group, Inc. on page IV-14	Chart reformatted	
	See pp. 12-18 Attached See p. 7 Attached	See pp. 15-23 Attached See p. 8 Attached	Changed page references Changed page references	

Description of change

The Southern New England
Telephone Company
Cost Allocation Manual

TRANSMITTAL MATRIX CAM CHANGES

Description of change

<u>Page USOA Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized Quantification</u>
IV-6	SBC Communications Inc. (old page IV-5)	AT&T Inc.	Renamed	N/A
IV-6	Ozark Cellular Company, LLC; Pine Bluff Cellular, Inc.	N/A	Contributed to Cingular	N/A
	Worcester Telephone Company [Partnership]	Worcester Tower Holdings, LLC	Restructured	
	SBMS New York Services, Inc.	N/A	Dissolved	
	See p. 6 Attached (old page IV-5)	See p. 7 Attached	Changed page references	
IV-6	N/A	Missouri RSA 981 Tower Holdings, LLC	New	N/A
IV-7	Project Greyhound CA/NV Acquisition Sub, LLC (old page IV-6)	N/A	Dissolved	N/A
IV-7	N/A	Oklahoma City Tower Holdings LLC	New	N/A
IV-8	Pacific Bell Internet Services (old page IV-7)	SBC Internet Services, Inc.	Renamed	N/A
IV-8	Prodigy Communications Corporations (old page IV-7)	N/A	Dissolved	N/A
IV-9	Prodigy Communications Corporation (old page IV-8)	SBC Internet Services, Inc.	Dissolved	N/A
IV-10	SBC Communications (old page IV-9)	AT&T Inc.	Renamed	N/A
IV-10	N/A	Yantra Corporation; Yantra Solutions Private Limited (India); Yantra Corporation U.K. Limited; Yantra GMBH (Germany)	New	N/A

TRANSMITTAL MATRIX CAM CHANGES

<u>Page USOA Account</u>	<u>Change From</u>	<u>Description of change</u> <u>Change To</u>	<u>Reason for Change</u>	<u>Annualized Quantification</u>
IV-11	SBC Communications (old page IV-10)	AT&T Inc.	Renamed	N/A
IV-11	Sterling Electronic Commerce (U.K.) Limited; The Electronic Data Exchange Service, Ltd. (U.K.); Electronic Commerce Group Limited (U.K.)	N/A	Dissolved	N/A
IV-12	SBC Communications (part of old page IV-11)	AT&T Inc.	Renamed	N/A
IV-13	SBC Communications (part of old page IV-11); See pp. 9-10 Attached	AT&T Inc. See pp. 10, 11 Attached	Renamed; changed page references	N/A
IV-14	SBC Communications Inc.	AT&T Inc.	Renamed	N/A
IV-14	Worldwide Directory Products Sales, Inc.; Southwestern Bell Yellow pages Resources, Inc.; Southwestern Bell Yellow Pages Services, Inc.; SBC Advertising, L.P.; Southwestern Bell Advertising Group, Inc. (old page IV-1)	Worldwide Directory Products Sales, Inc.; Southwestern Bell Yellow pages Resources, Inc.; Southwestern Bell Yellow Pages Services, Inc.; SBC Advertising, L.P.; Southwestern Bell Advertising Group, Inc. on page IV-14	Chart reformatted	N/A
IV-14	N/A	Yellowpages.com LLC; www.Yellowpages.com, Inc.; YPC, LLC; Yellowpages Travel, Inc.	New	N/A
IV-15	Ameritech Interactive Media Services, Inc. (old page IV-12)	N/A	Merged	N/A
IV-15	Prodigy Communications Corporation (old page IV-12)	N/A	Dissolved	N/A

TRANSMITTAL MATRIX CAM CHANGES

<u>Page USOA Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized Quantification</u>
IV-15	Southwestern Bell Internet Services, Inc.; SBC Telecom, Inc.; SBC Long Distance, Inc. (old page IV-1)	SBC Internet Services, Inc.; SBC Telecom, Inc.; SBC Long Distance, LLC	Restructured	N/A
IV-15	Cingular Wireless LLC (old page IV-5)	Cingular Wireless LLC on pages IV-6 and IV-15	Reorganization	N/A
IV-16	SBC Communications Inc. (old page IV-13)	AT&T Inc.	Renamed	N/A
IV-16	TeleDanmark AD SB Invest APS; TDC A/S (formerly TeleDanmark A/S) Denmark Corp.; Ameritech Luxembourg S.a.r.l. (Luxembourg Corp); Ameritech Canada, Inc.; Ameritech Canada Business Trust (old page IV-13)	N/A	Sold	N/A
IV-17	SBC Communications Inc. (old page IV-16)	AT&T Inc.	Renamed	N/A
IV-18	SBC Communications Inc. (old page IV-14)	AT&T Inc.	Renamed	N/A
IV-19	SBC Communications Inc. (old page IV-15)	AT&T Inc.	Renamed	N/A
IV-20	SBC Communications Inc. (old page IV-16)	AT&T Inc.	Renamed	N/A
IV-21	SBC Communications Inc. (old page IV-16)	AT&T Inc.	Renamed	N/A
IV-21	Ameritech Payphone Services, Inc.	Ameritech Payphone Services, Inc. is on page IV-15	Ameritech Payphone Services, Inc. does not have a subsidiary any longer, so it is only included on the SBC Teleholdings, Inc. first-tier page.	N/A
	Ameritech Payphone Services of Ohio, Inc. (old page IV-16)	N/A	Dissolved	

TRANSMITTAL MATRIX CAM CHANGES
Description of change

<u>Page USOA Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized Quantification</u>
IV-22	SBC Communications Inc. (old page IV-17)	AT&T Inc.	Renamed	N/A
IV-23	SBC Communications Inc. (old page IV-18)	AT&T Inc.	Renamed	N/A
V	N/A	N/A	See Transmittal Letter Matrix Exhibit A for Section V explanations.	N/A
VI-3	Based on Description of Accounting Code(s): includes cost pools in Accounts 2411, 2421, 2422, 2423, 2441, 6411, 6421, 6422	N/A	These accounts no longer have cost pools using the Based on Description of Accounting Code(s) cost pool identification method due to changes made in the cost pool tables.	N/A
VI-3	N/A	6512	Added 6512 as having a cost pool using Based on Description of Accounting Code(s) cost pool identification method due to changes made in the cost pool tables.	N/A
VI-4	Analysis of Building Use---The Companies maintain a floor space inventory file of all their buildings. This inventory associates floor space with functions by building This study is performed at least annually.	Analysis of Building Use---The Company maintains continuing property records (CPR) of all its buildings. This CPR associates building locations with functions by building This study is performed at least annually.	Updated building study cost pool identification methodology.	N/A
VI-5	Analysis of Equipment Inventory Records---used by Accounts 2411, 2421, 2422, 2423, 2441	N/A	SNET no longer uses the Analysis of Equipment Inventory Records cost pool identification method for Accounts 2411, 2421, 2422, 2423, 2441 per changes made in the cost pool tables.	N/A
VI-5	N/A	Cost Pool Equals Account: includes cost pools in Accounts 2411, 2421, 2422, 2423, 2441, 6311, 6341, 6411, 6421, 6422	These accounts now use the Cost Pool Equals Account cost pool identification method due to changes made in the cost pool tables.	N/A

TRANSMITTAL MATRIX CAM CHANGES

<u>Page</u> <u>USOA</u> <u>Account</u>	<u>Change From</u>	<u>Description of change</u> <u>Change To</u>	<u>Reason for Change</u>	<u>Annualized</u> <u>Quantification</u>
VI-5	6512 under the Cost Pool Equals Account cost pool identification method.	N/A	Account 6512 no longer uses the Cost Pool Equals Account cost pool identification method.	N/A
VI-7	Assigned to Nonregulated: includes cost pools in Accounts 2411, 2421, 2422, 6411, 6421, 6422	N/A	These accounts no longer have cost pools using the Assigned to Nonregulated cost pool apportionment basis method due to changes made in the cost pool tables.	N/A
VI-7	N/A	6564 under the Assigned to Nonregulated apportionment basis method.	Account 6564 now has a pool using the Assigned to Nonregulated cost pool apportionment basis method due to changes made in the cost pool tables.	N/A
VI-12	General Allocator—4300, 6720, 7100, 7240	General Allocator—4300, 6720, 7100, 7240, 7300	To add Account 7300 as using the General Allocator apportionment method due to changes made in the cost pool tables.	N/A
VI-13 1438	Direct regulated cost pool comments, 2 nd sentence: Includes prior Accounts 1438 and 1439.	Direct regulated cost pool comments, 2 nd sentence: Includes prior Accounts 1438 and/or 1439.	The Directly Assigned to Regulated cost pool in Account 1438 may include costs from either legacy Account 1438 or 1439 or both effective year 2005.	N/A
VI-15 2112	Distribution Services Cost Pool; Indirectly attributed based on relative value of Distribution Services current year salaries and wages in Accounts 2310 through 2441, and 6310 through 6441.	Distribution Services – Installation and Maintenance Sub-pool; Indirectly attributed based on relative value of Distribution Services current year salaries and wages in Accounts 2310 through 2441, and 6310 through 6441.	To sub-pool the Distribution Services Cost Pool to increase cost causative allocation effective year 2005.	Decrease to regulated operations of \$72.9 million.
		Distribution Services – Construction Sub-pool; Indirectly attributed based on relative value of Cable and Wire Facilities current year salaries and wages in Accounts 2410 through 2441, and 6410 through 6441.	To sub-pool the Distribution Services Cost Pool to increase cost causative allocation effective year 2005.	Increase to regulated operations of \$72.9 million (net impact is \$-0-).

TRANSMITTAL MATRIX CAM CHANGES
Description of change

<u>Page</u> <u>USOA</u> <u>Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized</u> <u>Quantification</u>
VI-15 2112	Comments for the Customer Operations Cost Pool: Not applicable (Uniformity—Cost Pool not in use).	No comments for the Customer Operations Cost Pool	The Customer Operations Cost Pool is in use by SNET effective year 2005.	Less than \$.1 million impact on regulated operations.
VI-16 2121	Directly Attributed Nonregulated; Analysis of building use; Directly attributed to nonregulated.	Directly Attributed Nonregulated; Not Applicable; Directly attributed to nonregulated; SNET does not have buildings which can be directly assigned to nonregulated. Not applicable (Uniformity – Cost Pool not in use).	SNET does not use the Directly Attributed Nonregulated cost pool in Account 2121 effective year 2005.	N/A
VI-18 2211	Direct to regulated cost pool comments: Includes prior Accounts 2211 and 2215.	Direct to regulated cost pool comments: Includes prior Accounts 2211 and/or 2215. SNET rarely uses this account.	The Directly Assigned to Regulated cost pool in Account 2211 (which is rarely used) may include costs from either legacy Account 2211 or 2215 or both effective year 2005.	N/A
VI-19 2411, 2421, 2422	Direct Cost Pool; Based on description of accounting codes; Directly Assigned to Regulated	Direct Cost Pool; Cost Pool Equals Account; Directly Assigned to Regulated	To acknowledge there is only one cost pool in use in each of Accounts 2411, 2421 and 2422 effective year 2005.	N/A
	Direct Cost Pool; Based on description of accounting codes and analysis of equipment inventory records; Directly Assigned to Nonregulated.	N/A	The Directly Assigned to Nonregulated cost pool is not in use by SNET effective year 2005.	N/A
VI-20 2423, 2441	Direct Cost Pool; Based on description of accounting codes; Directly Assigned to Regulated	Direct Cost Pool; Cost Pool Equals Account; Directly Assigned to Regulated	To acknowledge there is only one cost pool in use in each of Accounts 2423 and 2441 effective year 2005.	N/A
	Direct Cost Pool; Based on description of accounting codes and analysis of equipment inventory records; Directly Assigned to Nonregulated.	N/A	The Directly Assigned to Nonregulated cost pool is not in use by SNET effective year 2005.	N/A

TRANSMITTAL MATRIX CAM CHANGES

<u>Page</u> <u>USOA</u> <u>Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized</u> <u>Quantification</u>
VI-21 2690	No comments for Account 2690's Directly Assigned to Nonregulated cost pool	Comments added for Account 2690's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 2690's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A
VI-24 6121	No comments for Account 6121's Directly Assigned to Nonregulated cost pool	Comments added for Account 6121's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6121's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A
VI-25 6211	Direct regulated cost pool comments: Includes prior Accounts 6211 and 6215.	Direct regulated cost pool comments: Includes prior Accounts 6211 and/or 6215.	The Directly Assigned to Regulated cost pool in Account 6211 may include costs from either legacy Account 6211 or 6215 or both effective year 2005.	N/A
VI-25 6212	No comments for Account 6212's Directly Assigned to Nonregulated cost pool	Comments added for Account 6212's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6212's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A
VI-25 6231	No comments for Account 6231	Comments added for Account 6231: SNET rarely uses this cost pool.	SNET rarely uses Account 6231 effective year 2005.	N/A
VI-25 6232	No comments for Account 6232's Directly Assigned to Nonregulated cost pool	Comments added for Account 6232's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6232's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A
VI-25 6311	Not Applicable and Comments for the Directly Assigned to Regulated cost pool in Account 6311.	Cost Pool Equals Account and No Comments for the Directly Assigned to Regulated cost pool in Account 6311.	SNET uses the Directly Assigned to Regulated cost pool effective year 2005.	Increase to regulated operations of \$6.5 million.
VI-25 6311	Directly Assigned to Nonregulated cost pool; SNET has no station apparatus expense.	Directly Assigned to Nonregulated cost pool; SNET has no costs in this cost pool.	SNET uses the Directly Assigned to Regulated cost pool (but not the Directly Assigned to Nonregulated cost pool) effective year 2005.	N/A
VI-26 6311	Common-No Access/No Trouble Found Cost Pool; SNET has no station apparatus	Common-No Access/No Trouble Found Cost Pool; SNET has no costs in this cost	SNET uses the Directly Assigned to Regulated cost pool (but not the Common-	N/A

TRANSMITTAL MATRIX CAM CHANGES

Description of change

<u>Page</u> <u>USOA</u> <u>Account</u>	<u>Change From</u>	<u>Change To</u>	<u>Reason for Change</u>	<u>Annualized</u> <u>Quantification</u>
	expense.	pool.	No Access/No Trouble Found Cost Pool) effective year 2005.	
VI-26 6341	Directly Assigned to Regulated cost pool; Not Applicable; comments: SNET has no cost in this account. Not Applicable (Uniformity – cost pool not in use).	Cost Pool Equals Account and no comments for the Directly Assigned to Regulated cost pool in Account 6341.	SNET uses the Directly Assigned to Regulated cost pool in Account 6341 effective year 2005.	Impact on regulated operations less than \$.1 million.
	Directly Assigned to Nonregulated; comments: SNET has no costs in this account.	Directly Assigned to Nonregulated; comments: SNET has no costs in this cost pool.	SNET uses the Directly Assigned to Regulated cost pool in Account 6341 effective year 2005.	N/A
	Common-No Access/No Trouble Found Cost Pool; comments: SNET has no cost in this account.	Common-No Access/No Trouble Found Cost Pool; comments: SNET has no cost in this cost pool.	SNET uses the Directly Assigned to Regulated cost pool in Account 6341 effective year 2005.	N/A
VI-26 6362	No comments for Account 6362's Directly Assigned to Nonregulated cost pool	Comments added for Account 6362's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6362's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A
VI-27 6411, 6421, 6422	Direct Cost Pool; Based on description of accounting codes; Directly Assigned to Regulated	Direct Cost Pool; Cost Pool Equals Account; Directly Assigned to Regulated	To acknowledge there is only one cost pool in use in each of Accounts 6411, 6421 and 6422 effective year 2005.	N/A
	Direct Cost Pool; Based on description of accounting codes and analysis of equipment inventory records; Directly Assigned to Nonregulated.	N/A	The Directly Assigned to Nonregulated cost pool is not in use by SNET effective year 2005.	N/A
VI-28 6424	Comments: Includes prior Accounts 6424 and 6425.	Comments: Includes prior Accounts 6424 and/or 6425.	Account 6424 may include costs from either legacy Account 6424 or 6425 or both effective year 2005.	N/A
VI-28 6512	Cost Pool Equals Account with only a common Provisioning Cost Pool	Two cost pools: A direct regulated cost pool in addition to the previously existing common Provisioning Cost Pool.	To add a direct regulated cost pool effective year 2005.	Less than \$.1 million impact on regulated operations.

TRANSMITTAL MATRIX CAM CHANGES

Page USOA Account	Change From	Description of change Change To	Reason for Change	Annualized Quantification
VI-28 6531	No comments for Account 6531's Directly Assigned to Regulated cost pool	Comments added for Account 6531's Directly Assigned to Regulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6531's Directly Assigned to Regulated cost pool effective year 2005.	N/A
VI-29 6534	No comments for Account 6534's Directly Assigned to Nonregulated cost pool	Comments added for Account 6534's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6534's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A
VI-30 6535	Engineering – Common Function Cost Pool . . . Indirectly attributed based on the relative investment value Directly assigned to regulated.	Engineering – Common Function Cost Pool . . . Indirectly attributed based on the relative investment value in Accounts 2121, 2211 through 2232 and 2411 through 2441.	To delete the second sentence in the apportionment method which had been inadvertently copied into the apportionment description effective year 2005.	N/A
VI-30 6564	N/A	Directly Assigned to Nonregulated cost pool; SNET rarely uses this cost pool.	To add a Directly Assigned to Nonregulated cost pool which SNET rarely uses effective year 2005.	N/A
VI-31 6611	Directly Assigned to Regulated cost pool comments: Includes prior Accounts 6611 and 6612.	Directly Assigned to Regulated cost pool comments: Includes prior Accounts 6611 and/or 6612.	The Directly Assigned to Regulated cost pool in Account 6611 may include costs from either legacy Account 6611 or 6612 or both effective year 2005.	N/A
	Directly Assigned to Nonregulated cost pool comments: Includes prior Account 6612.	Directly Assigned to Nonregulated cost pool comments: Includes prior Account 6612. SNET rarely uses this cost pool.	To note SNET rarely uses the Directly Assigned to Nonregulated cost pool which includes legacy Account 6612 costs effective year 2005.	N/A
	Product Management and Sales Cost Pool and the Product Management and Sales Residual Cost Pool comments: Includes prior Accounts 6611 and 6612.	Product Management and Sales Cost Pool and the Product Management and Sales Residual Cost Pool comments: Includes prior Accounts 6611 and/or 6612.	The Product Management and Sales Cost Pool and the Product Management and Sales Residual Cost Pools may include costs from either legacy Account 6611 or 6612 or both effective year 2005.	N/A
VI-32 6623	No comments for Account 6623's Directly Assigned to Nonregulated cost pool	Comments added for Account 6623's Directly Assigned to Nonregulated cost pool: SNET rarely uses this cost pool.	SNET rarely uses Account 6623's Directly Assigned to Nonregulated cost pool effective year 2005.	N/A

TRANSMITTAL MATRIX CAM CHANGES

Page USOA Account	Change From	Description of change Change To	Reason for Change	Annualized Quantification
VI-32 6720	Directly Assigned to Regulated comments: Includes prior Accounts 6711-6728.	Includes prior Accounts 6722, 6724, 6725, 6727 and/or 6728.	The Directly Assigned to Regulated cost pool in Account 6720 may include costs from any or all legacy Accounts 6722, 6724, 6725, 6727 and/or 6728 effective year 2005.	N/A
	Directly Assigned to Nonregulated comments: none	Includes prior Account 6724.	The Directly Assigned to Nonregulated cost pool in Account 6720 includes costs from legacy Account 6724 effective year 2005.	N/A
	General and Administrative Operations Cost Pool comments: Includes prior Account 6723, 6724, 6726 and 6728.	Includes prior Accounts 6723, 6724, 6726 and/or 6728.	The General and Administrative Operations Cost Pool in Account 6720 may include costs from any or all legacy Accounts 6723, 6724, 6726 and/or 6728 effective year 2005.	N/A
	Marketing Cost Pool comments: Includes prior Accounts 6722 and 6724.	Includes prior Accounts 6722 and/or 6724.	The Marketing Cost Pool in Account 6720 may include costs from either or both legacy Accounts 6722 and/or 6724 effective year 2005.	N/A
VI-33 6720	General and Administrative Residual Cost Pool comments: Includes prior Accounts 6712, 6721, 6722, 6724, 6725, 6727 and 6728.	Includes prior Accounts 6712, 6721, 6722, 6724, 6725, 6727 and/or 6728.	The General and Administrative Residual Cost Pool may include costs from any or all legacy Accounts 6712, 6721, 6722, 6724, 6725, 6727 and/or 6728 effective year 2005.	N/A
VI-33 7100	Directly Assigned to Regulated cost pool comments: Includes prior Accounts 7110 and 7130.	Includes prior Accounts 7110 and/or 7130.	The Directly Assigned to Regulated cost pool in Account 7100 may include costs from either or both legacy Accounts 7110 and/or 7130 effective year 2005.	N/A
	Other Operating Income and Expense Residual Cost Pool comments: Includes prior Accounts 7140 and 7160.	Includes prior Accounts 7140 and/or 7160.	The Other Operating Income and Expense Residual Cost Pool in Account 7100 may include costs from either or both legacy Accounts 7140 and/or 7160 effective year 2005.	N/A

TRANSMITTAL MATRIX CAM CHANGES

<u>Page</u> <u>USOA</u> <u>Account</u>	<u>Change From</u>	<u>Description of change</u> <u>Change To</u>	<u>Reason for Change</u>	<u>Annualized</u> <u>Quantification</u>
VI-34 7300	Directly Assigned to Regulated cost pool comments, 2 nd sentence: Includes prior Accounts 7310-7370.	Includes prior Accounts 7320, 7360 and/or 7370.	The Directly Assigned to Regulated cost pool in Account 7300 may include costs from any or all legacy Accounts 7320, 7360 and/or 7370 effective year 2005.	N/A
VI-34 7300	N/A	Contributions Cost Pool; Based on description of accounting codes; General allocator; Includes prior Account 7370. SNET rarely uses this cost pool.	SNET rarely uses this cost pool in Account 7300. The general allocator is used to apportion the Contributions Cost Pool effective year 2006.	Impact on regulated operations less than \$.1 million.
VI-34 7500	Account 7500 comments: Includes prior Accounts 7510-7540.	Includes prior Accounts 7510, 7530 and/or 7540.	Account 7500 may include costs from and or all legacy Accounts 7510, 7530 and/or 7540 effective year 2005.	N/A
VI-35 7990	Account 7990 comments: SNET currently has no Nonregulated Net Income.	SNET does not use this account.	To clarify SNET does not use Account 7990 effective year 2005.	N/A

EXHIBIT A

TRANSMITTAL LETTER MATRIXDECEMBER 19, 2005 CAM REVISIONS

<u>PAGE</u> <u>USOA ACCT.</u>	<u>CHANGE FROM</u>	<u>CHANGE TO</u>	<u>REASON FOR CHANGE</u>	<u>QUANTIFICATION</u> <u>OF CHANGE</u>
V-4	SBC Operations, Inc.	SBC Operations, Inc.	Updated service description.	N/A
V-5	N/A	Sterling Commerce, Inc.	Added affiliate to list of affiliates	N/A
V-6	N/A	Ameritech Advanced Data Services	Added affiliate to list of affiliates	N/A
V-6	N/A	AT&T Corp.	Added affiliate to list of affiliates	N/A
V-6	N/A	Enterprise Services, Inc.	Added affiliate to list of affiliates	N/A
V-6	N/A	Pacific Bell Information Services	Added affiliate to list of affiliates	N/A
V-6	N/A	Asset Transfers	Added service categories and descriptions.	N/A
V-7	N/A	Customer Care	Added service categories and descriptions.	N/A
V-8	N/A	Property Rental Services	Updated service description.	N/A
V-9	N/A	Asset Transfers	Added service categories and descriptions.	N/A
V-9	N/A	Billing & Collection Services	Added service categories and descriptions.	N/A
V-10	N/A	Broadband IP Service	Added service categories and descriptions.	N/A
V-11	N/A	Customer Care	Added service categories and descriptions.	N/A
V-11	N/A	Marketing Services and Support	Updated service description.	N/A
V-12	N/A	Real Estate Support Services	Added service categories and descriptions.	N/A
V-13	N/A	Telecommunication Services - Tariff	Updated service description.	N/A
V-14; V-15	N/A	Ameritech Services, Inc. (#18)	Added affiliate to matrix	N/A

EXHIBIT A

TRANSMITTAL LETTER MATRIXDECEMBER 19, 2005 CAM REVISIONS

<u>PAGE</u> <u>USOA ACCT.</u>	<u>CHANGE FROM</u>	<u>CHANGE TO</u>	<u>REASON FOR CHANGE</u>	<u>QUANTIFICATION</u> <u>OF CHANGE</u>
V-14; V-15	N/A	Ameritech Advanced Data Services (#21)	Added affiliate to matrix	N/A
V-14; V-15	N/A	AT&T Corp. (#19)	Added affiliate to matrix	N/A
V-14; V-15	N/A	Enterprise Services, Inc. (#20)	Added affiliate to matrix	N/A
V-14; V-15	N/A	Pacific Bell Information Services (#22)	Added affiliate to matrix	N/A
V-14; V-15	N/A	Sterling Commerce, Inc. (#23)	Added affiliate to matrix	N/A
V-14	N/A	Property Rental Services (Tariffed)	Added service to matrix.	N/A
V-14	N/A	Telecommunications Services (Tariffed) - SNET Information Services, Inc., #8, Daily	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-14	Telecommunications Services (Tariffed) - Cingular Wireless LLC, #9, Daily	Telecommunications Services (Tariffed) - Cingular Wireless LLC, #9, Occasionally	Updated matrix.	N/A
V-14	N/A	Telecommunications Services (Tariffed) - SBC Internet Services, Inc., #17, Daily	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-14	N/A	Telecommunications Services (Tariffed) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-14	N/A	Property Rental Services (Tariffed) - SBC Services, Inc., #4, Daily	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.

EXHIBIT A

TRANSMITTAL LETTER MATRIXDECEMBER 19, 2005 CAM REVISIONS

<u>PAGE</u> <u>USOA ACCT.</u>	<u>CHANGE FROM</u>	<u>CHANGE TO</u>	<u>REASON FOR CHANGE</u>	<u>QUANTIFICATION</u> <u>OF CHANGE</u>
V-14	N/A	Property Rental Services (Tariffed) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-14	N/A	Billing Support Services (PP) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-14	N/A	Inventory (FMV/FDC) - SNET America, Inc., #6, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-14	N/A	Inventory (FMV/FDC) - Ameritech Services, Inc., #18, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-14	N/A	Vehicles (FMV/FDC) - SBC Operations, Inc., #3, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of \$.2 million.
V-14	N/A	Vehicles (FMV/FDC) - SBC Services, Inc., #4, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of \$.1 million.
V-14	N/A	Vehicles (FMV/FDC) - SNET America, Inc., #6, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-14	N/A	Vehicles (FMV/FDC) - SNET Diversified Group, Inc., #7, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.

EXHIBIT A

TRANSMITTAL LETTER MATRIXDECEMBER 19, 2005 CAM REVISIONS

<u>PAGE</u> <u>USOA ACCT.</u>	<u>CHANGE FROM</u>	<u>CHANGE TO</u>	<u>REASON FOR CHANGE</u>	<u>QUANTIFICATION</u> <u>OF CHANGE</u>
V-14	N/A	Vehicles (FMV/FDC) - SBC Global Services, Inc., #11, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-14	N/A	Businedd Process Development & Design (FDC/FMV) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-14	N/A	Customer Care (FDC/FMV)	Added service to matrix.	N/A
V-14	N/A	Customer Care (FDC/FMV) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-14	N/A	Marketing Services and Support (FDC) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-15	N/A	Property Rental Services (FDC/FMV) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-15	N/A	Property Rental Services (FDC/FMV) - Sterling Commerce, Inc., #23, Daily	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-15	N/A	Telecommunications Services (FDC) - Ameritech Advanced Data Services, Inc., #21, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-15	N/A	Telecommunications Services (FDC) - Pacific Bell Information Services, #22, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-16; V-17	N/A	AT&T Corp. (#18)	Added affiliate to matrix	N/A
V-16; V-17	N/A	Enterprise Services, Inc. (#19)	Added affiliate to matrix	N/A

EXHIBIT A

TRANSMITTAL LETTER MATRIXDECEMBER 19, 2005 CAM REVISIONS

<u>PAGE</u> <u>USOA ACCT.</u>	<u>CHANGE FROM</u>	<u>CHANGE TO</u>	<u>REASON FOR CHANGE</u>	<u>QUANTIFICATION</u> <u>OF CHANGE</u>
V-16	N/A	Telecommunication Services (Tariffed) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-16	N/A	Telecommunication Services (PP) - AT&T Corp., #19, Daily	Added service to affiliate.	N/A
V-16	N/A	Vehicles (FMV/FDC) - SBC Operations, Inc., #3, Occasionally	Added service to affiliate.	N/A
V-16	N/A	Vehicles (FMV/FDC) - SBC Services, Inc., #4, Occasionally	Added service to affiliate.	This change results in an estimated impact to Regulated Operations of less than \$.1 million.
V-16	N/A	Vehicles (FMV/FDC) - SBC Global Services, Inc., #16, Occasionally	Added service to affiliate.	N/A
V-16	N/A	Broadband IP Services (FDC/FMV)	Added service to matrix	N/A
V-16	N/A	Broadband IP Services (FDC/FMV) -SBC Internet Services, Inc., #14, Daily	Added service to affiliate.	1' N/A
V-16	N/A	Customer Care (FDC/FMV)	Added service to matrix.	N/A
V-16	N/A	Customer Care (FDC/FMV) - SBC Operations, Inc., #3, Daily	Added service to affiliate.	N/A
V-16	N/A	Customer Care (FDC/FMV) - SBC Global Services, Inc., #16, Daily	Added service to affiliate.	N/A
V-16	N/A	Customer Care (FDC/FMV) - AT&T Corp., #18, Daily	Added service to affiliate.	N/A
V-16	N/A	Customer Care (FDC/FMV) - Enterprise Services, Inc., #19, Daily	Added service to affiliate.	N/A
V-17	N/A	Marketing Services & Support (FMV)	Added service to matrix	N/A

EXHIBIT A

TRANSMITTAL LETTER MATRIXDECEMBER 19, 2005 CAM REVISIONS

<u>PAGE</u> <u>USOA ACCT.</u>	<u>CHANGE FROM</u>	<u>CHANGE TO</u>	<u>REASON FOR CHANGE</u>	<u>QUANTIFICATION</u> <u>OF CHANGE</u>
V-17	N/A	Marketing Services & Support (FDC) - AT&T Corp., #18, Daily	Added service to affiliate.	N/A
V-17	N/A	Marketing Services & Support (FMV) - SBC Global Services, Inc., #16, Daily	Added service to affiliate.	N/A
V-17	N/A	Real Estate Support Services (FDC/FMV) - AT&T Corp.; #18, Daily	Added service to affiliate.	N/A

THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY CAM

CURRENT PAGE INDEX

<u>SECTION</u>	<u>PAGES</u>	<u>DATE REVISED</u>
I. Introduction	1	2/1/05
	2	6/28/91
	3	2/1/05
	4	12/24/03
II. Nonregulated Activities	1	12/19/05
	2	12/19/05
	3	12/19/05
III. Incidental Activities	1	12/19/05
	2	12/24/02
IV. Chart of Affiliates	1	12/19/05
	2	12/19/05
	3	12/19/05
	4	12/19/05
	5	12/19/05
	6	12/19/05
	7	12/19/05
	8	12/19/05
	9	12/19/05
	10	12/19/05
	11	12/19/05
	12	12/19/05
	13	12/19/05
	14	12/19/05
	15	12/19/05
	16	12/19/05
	17	12/19/05
	18	12/19/05
	19	12/19/05
	20	12/19/05
	21	12/19/05
	22	12/19/05
	23	12/19/05
V. Transactions with Affiliates	1	12/24/03
	2	12/24/02
	3	12/24/03
	4	12/19/05
	5	12/19/05
	6	12/19/05
	7	12/19/05
	8	12/19/05
	9	12/19/05
	10	12/19/05
	11	12/19/05

	<u>SECTION</u>	<u>PAGES</u>	<u>DATE REVISED</u>
V.	Transactions with Affiliates (Continued)		
		12	12/19/05
		13	12/19/05
		14	12/19/05
		15	12/19/05
		16	12/19/05
		17	12/19/05
VI.	Cost Apportionment Tables		
		1	2/1/05
		2	2/1/05
		3	12/19/05
		4	12/19/05
		5	12/19/05
		6	9/30/05
		7	12/19/05
		8	9/30/05
		9	9/30/05
		10	9/30/05
		11	2/1/05
		12	12/19/05
		13	12/19/05
		14	9/30/05
		15	12/19/05
		16	12/19/05
		17	9/30/05
		18	12/19/05
		19	12/19/05
		20	12/19/05
		21	12/19/05
		22	2/1/05
		23	2/1/05
		24	12/19/05
		25	12/19/05
		26	12/19/05
		27	12/19/05
		28	12/19/05
		29	12/19/05
		30	9/30/05
		31	12/19/05
		32	12/19/05
		33	12/19/05
		34	12/19/05
		35	12/19/05
VII.	Time Reporting Procedures		
		1	2/1/05
		2	2/1/05
		3	12/31/96
		4	2/1/05

**The Southern New England Telephone Company
Cost Allocation Manual**

SECTION I

INTRODUCTION

INTRODUCTION

1.1 PURPOSE

The Southern New England Telephone Company's (Company) Cost Allocation Manual (Manual) documents the procedures that are used to separate the costs of regulated telephone services from nonregulated activities and to document the transactions between the Company and its nonregulated affiliates in accordance with the Federal Communications Commission's (FCC) Report and Order in FCC Docket 86-111¹, Order on Reconsideration², and Order on Further Reconsideration³, in CC Docket No. 86-111, and Report and Order in CC Docket No. 96-150⁴, RAO 19⁵ and RAO 26⁶.

This Manual will be revised as necessary to reflect any changes in the Company's service offerings and changes due to FCC regulatory requirements.

1.2 SCOPE

This Manual contains the following sections:

SECTION I	Introduction
SECTION II	Nonregulated Activities Information
SECTION III	Incidental Activities
SECTION IV	Chart of Corporate Affiliates
SECTION V	Transactions with Affiliates
SECTION VI	Cost Apportionment Tables
SECTION VII	Time Reporting Procedures

¹ In the Matter of Separation of costs of regulated telephone service from costs of nonregulated activities, CC Docket No. 86-111, Report and Order ("Joint Cost Order") (released February 6, 1987).

² In the Matter of Separation of costs of regulated telephone service from costs of nonregulated activities, CC Docket No. 86-111, Order on Reconsideration, (released October 16, 1987).

³ In the Matter of Separation of costs of regulated telephone service from costs of nonregulated activities, CC Docket No. 86-111, Order on Further Reconsideration, (released November 18, 1988).

⁴ In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, CC Docket No. 96-150, Report and Order, released December 24, 1996 (FCC 96-490) (Report and Order).

⁵ Re: CC Docket No. 86-111 Cost Allocation Manual- Format and Filing procedures, Responsible Accounting Officer (RAO) 19, Released December 23, 1991, (DA-91-1570).

⁶ Re: Cost Allocation Manuals- Section V, Transactions with Affiliates, Responsible Accounting Officer (RAO) 26, Released May 6, 1998, (DA 98-855).